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THE STRUCTURE AND FORMAT OF BUDGET DOCUMENTS: BUDGET FORMAT FOR COUNTRY PROGRAMME RECOMMENDATIONS

SUMMARY

The present document is the Executive Director's response to Executive Board decision 1991/30 (E/ICEF/1991/15) on the review of budget formats, which recommended greater clarity and transparency in the presentation of programme and budget proposals. The present document specifically addresses the need expressed by the Executive Board for UNICEF to study the usefulness and feasibility of presenting staffing and administrative costs for the country office together with the proposal for the country programme and budget in the documents entitled country programme recommendations.

The proposals in the present document were reviewed by the Reference Group established by the Executive Board. The document was also presented to the Advisory Committee on Administrative and Budgetary Questions for its review and recommendations, which are presented in document E/ICEF/1992/AB/L.18.

The present document describes the country programme preparation process, which is undertaken jointly by the Government of the country concerned and UNICEF, and provides budget mock-ups and related explanatory notes for Executive Board review and approval at the 1992 session.

The Executive Director recommends that the budget formats and the related narrative format proposed for country programme recommendations be approved by the Executive Board and that the page limitations stipulated by the Bureau in 1990 be increased from 12-14 pages to 13-15 pages for smaller country programme recommendations, and from 16-18 pages to 17-19 pages for medium-sized and longer country programme recommendations, if this is essential to incorporate the additional information proposed in the present document.

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INTRODUCTION

1. The proposals in the present document are the Executive Director's response to the need expressed by the Executive Board during its 1991 session for greater clarity and transparency in the presentation of programme proposals and for closer links between programme proposals and staffing, staff costs and the administrative and programme support budget. The document was reviewed by the Reference Group appointed by the Executive Board, as well as by the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

2. The document: (a) describes the country programme preparation process which is undertaken jointly by the host Government and UNICEF; (b) provides information on the existing format for presenting programme proposals, including programme budgets; and (c) proposes revised budget formats reflecting clearer links between programme plans and staffing, staff costs and the administrative budget at the UNICEF country office. The example of the country programme recommendation for Nigeria is used as a case in point to illustrate the existing format, as well as the proposed changes in the narrative and the budget tables.

I. COUNTRY PROGRAMME RECOMMENDATION: ESTABLISHED PROCEDURES

A. Country programme preparation process

3. As described in the document on the preparation of country programmes and country programme recommendations (E/ICEF/1991/CRP.16), the country programming process provides the main channel for UNICEF to work with the partner country's Government and non-government agencies for advocacy, policy and programme development to improve the situation of children and women in areas of priority needs, and for programme support to implementing agencies and communities to plan, implement, monitor and evaluate programmes at national and subnational levels in collaboration with United Nations and international agencies.

Country programme plans

4. The country programme plans are based on:

(a) The economic and social development situation in the country and its impact on the situation of children and women, particularly those in poor, vulnerable groups;

(b) The Government's national development plans, policies and programmes, including their institutional and financial capacity to address the issues of children and women;

(c) UNICEF policies as approved by the Executive Board and as reflected in the medium-term plan, including important themes such as the Convention on

the Rights of the Child and the Declaration and Plan of Action of the World Summit for Children;

(d) Institutional and financial resources available in the country for social sector programmes, and external assistance being provided to the country;

(e) UNICEF capacity at the country level, both in terms of staffing and financial resources, to provide assistance for the proposed programme.

5. The country programme plans are prepared jointly by key national government agencies and the UNICEF country office, which is headed by a representative. In several countries, inter-agency coordinating bodies headed by senior officials of planning or finance ministries have been established by host Governments to plan country programmes for children. Increasing collaboration with United Nations and other international agencies has been noted in recent years as well. As the country office organizes discussions on the situation of children and women and the strategy, preview and review meetings during the country programming year, programme planning support is provided, as appropriate, from UNICEF headquarters and the respective regional offices. This process generally takes place during an 18- to 24-month period before the Executive Board approves the country programme. While the duration of the country programme is generally four to five years, bridging operations for one or two years are considered appropriate in view of the country's national plan period, or the need to synchronize the programming cycle with other United Nations agencies or funding needs.

Country programme budget

6. Country programme budgets are developed in the following manner:

(a) The programme budget ceilings from general resources are allocated to country programmes by headquarters on the basis of income projections and financial medium-term plans on the one hand, and criteria based on child indicators such as child population, the infant mortality rate and the gross national product per capita on the other;

(b) Before or during the programme strategy meeting, discussions are held between the country office and headquarters regarding projected general resources ceilings for the country programme, as well as the levels of supplementary funds. The following factors are generally taken into consideration in these discussions: the nature and scope of problems identified in the situation analysis and the programme strategy being proposed by the country office; the past record of programme implementation and expenditures in the country; and the past record of supplementary funding approved and raised during the previous programme and the potential for fund-raising for the new country programme. These discussions often continue during the country programming process as programme plans become clearer during the preview and review meetings;

(c) Allocations of general resources and supplementary funds to specific programme sectors/areas are proposed by the country office within the agreed ceilings for general resources and supplementary funds. These allocations are based on programme priorities and funding needs, including the available information on the host Government's social sector budgets and bilateral and multilateral assistance from donors.

7. At the final country programme review, plans, including objectives, strategies, programme plans and budgets, are approved in principle by UNICEF headquarters for presentation to the Executive Board for review and approval. By the month of November during the year prior to programme submission to the Executive Board, the country office presents to headquarters a series of documents such as a master plan of operations (providing the programme framework and multi-year project plans), supply lists for the first year and a draft country programme recommendation to be finalized for presentation to the Executive Board.

B. Country programme recommendation document and programme budget: existing format

8. The country programme recommendation includes a request from the Executive Director to the Executive Board for approval of the country programme, specifying the country, the programme period and the amounts of funds from general resources and supplementary funds, subject to availability of general resource funds and specific-purpose contributions. The document summarizes the main findings of the situation analysis; the past programme of cooperation between UNICEF and the Government, including its major strengths, weaknesses and lessons learned; and the recommended programme of cooperation, including strategies and plans for key sectors and programme areas. Four tables are included in the current country programme recommendation format, providing the following information:

(a) Table 1 provides basic statistics on children and women;

(b) Table 2 lists expenditures in the previous cooperation period by programme sector/area for main categories such as supplies and equipment, training grants and project staff and other cash contributions to government and non-governmental organization partners. Amounts for programme sectors/areas and for main expense categories are divided by funding sources, i.e., general resources and funded supplementary funds;

(c) Table 3 describes planned expenditure for the proposed programme by programme sector/area for each year of the programme period divided into funding sources, i.e., general resources and new supplementary funds;

(d) Table 4 notes staffing from budget and programme funds. This table provides information on the number of International Professional posts and local national Professional and General Service posts to be financed from the proposed biennium budget, as well as staff costs to be charged to the

administrative and programme support budget for that biennium. The table also provides information on proposed project posts and staff costs (International Professional and local national Professional and General Service) to be financed from general resources and supplementary funds.

C. Links between proposed programme and country office staffing: established procedures

Job classification and posts at the country office

9. The criteria used for establishing and classifying posts in the International Professional category at headquarters and in the field are also applied to the establishment and classification of national Professional and General Service posts at country offices. The procedures for approval of posts by the Budget Planning and Review Committee, as well as the recruitment procedures, are also equally applied to headquarters and country office posts. General and country-specific procedures are outlined below:

(a) All requests for country and regional office posts are reviewed along with requests for headquarters posts and approved by the Budget Planning and Review Committee, which is headed by the Deputy Executive Director, Operations, at headquarters. Budget proposals for country offices, along with those for regional offices and headquarters, are presented to the Executive Board for review and approval on a biennium basis;

(b) While the job descriptions for all International and national Professional posts are reviewed for their classification by the job classification panels at headquarters; the regional offices are responsible for reviewing job descriptions and classifying all General Service posts at country and regional offices in their respective regions;

(c) The recruitment of staff for all International Professional posts is managed at headquarters;

(d) For the recruitment of staff for national Professional and General Service posts, the Appointment and Placement Committee at the country office reviews applications and makes recommendations to the Representative for a final decision. The documentation is reviewed further at the regional office for final approval of the representative's decision by the regional director;

(e) In the preparation of the biennium budget, every year the Budget Planning and Review Committee from headquarters visits the six regional offices to review proposals for the establishment, abolition or redeployment of posts, as well as the country office organizational structures and the administrative budgets of country offices and the regional office in their respective regions. Any additional requests, particularly for project posts to be financed from new supplementary funds, are reviewed by the Budget Planning and Review Committee on a quarterly basis.

D. References to the country office budget in the administrative and programme support budget: the Nigeria example

10. The administrative and programme support budget includes information on posts, staff costs and administrative costs for the country offices in the budgets for each of the six regions.

11. All posts at the country office are included in the post authorization table as part of the preparation of the biennium budget. All post authorization tables for country offices are shared with ACABQ during each budget year.

12. The document on the revised budget estimates for the biennium 1990-1991 and budget estimates for the biennium 1992-1993 (E/ICEF/1991/AB/L.1), chapter III, item B, on West and Central Africa, paragraphs 139-144, summarizes the relevant budget information on the Nigeria country office as follows:

(a) The representative's post was recommended for upgrading from the D-1 to the D-2 level;

(b) Proposals for redeployment and changes in funding sources were included;

(c) In view of the decentralized programme proposed in a number of States, some staffing adjustments at the zonal offices were proposed;

(d) Some additional national Professional posts and related deletions were recommended in the proposed budget for 1992-1993.

13. The approved and revised budget for 1990-1991 and the proposed budget for 1992-1993 for Lagos was included in table 3, "Summary of budget costs in West and Central Africa", on page 44 of the budget document. The numbers of International Professional, national Professional and General Services posts for the Lagos office for the approved and revised budgets for 1990-1991 and the proposed budget for 1992-1993 were reflected in table 4, "Summary of budget posts in West and Central Africa".

E. Country programme management plan: an experimental approach

14. Since 1988, several country offices have attempted to establish clearer links between programme objectives and staffing as part of country programme preparation. Some of the offices organized workshops to analyse the implications of the proposed programmes on staffing and conducted staff training/planning exercises in addition to preparing requests for new posts or reorganizing existing posts to meet programme needs. In 1990-1991, UNICEF headquarters formalized the concept by introducing the country programme

management plan and encouraged some country offices to undertake country programme management plan work as part of their country programming exercises.

15. In its country programme management plan exercise in 1990, the Lagos country office, for example, showed the need for restructuring the country office and for redeploying some posts to the four zonal offices in view of the decentralization strategy reflected in the new country programme. The country programme management plan exercise also helped to define clearly the functions of the Lagos office and the zonal offices and the relations between the two structures for more effective implementation, monitoring, coordination, and supervisory, technical and management support from the Lagos office to the zonal offices. The Budget Planning and Review Committee approved the proposed staffing structure for Nigeria in support of the country programme recommendation for the period 1991-1995.

16. Of the 38 country offices presenting recommendations to the 1992 Executive Board, five volunteered in 1991 to organize the country programme management plan exercises and requested assistance from headquarters in the process. The participating country offices have generally found the country programme management plan to be a useful management tool; the number of country offices showing an interest in the country programme management plan is slowly increasing, and the country programme management plan approach and techniques are being refined further as practical field experience is gained.

17. Experience to date has shown that the country programme management plan raises the issue of the timing of the country programme management plan exercise at the beginning of the five-year programme cycle and its synchronization with the biennial Budget Planning Review Committee reviews of country office staffing and administrative budgets. It should also be noted that the country programme management plan is based mainly on programme and staffing needs at the country office. The Budget Planning Review Committee, in its review of the country programme management plan and the staffing requests from country offices, must not only take each country's programme needs into consideration, but also must consolidate the staffing needs of all country, regional and headquarters offices and analyse these needs in the context of the medium-term financial plans and income projections. The country programme management plan exercise is also based on the assumption that all new supplementary funds will be raised during the programme cycle. It is quite clear, however, that all approved supplementary projects will not necessarily be funded and that new posts to be financed from new supplementary funds can only be approved as new supplementary funds become available.

18. In view of all of those considerations, Programme Division at headquarters plans to further refine the country programme management plan approach; to participate in the country programme management plan exercises in additional country offices; to prepare training materials and guidelines in 1992-1993; and to collaborate more closely with the Division of Personnel, the Budget Section and Budget Planning Review Committee to deal with the practical issues involved in implementing the country programme management plan. If

this process proceeds as planned, the country programme management plan can be expected to be fully implemented by 1995-1996.

II. PROPOSED BUDGET FORMAT

19. In responding to the need expressed by the Executive Board for clarity and transparency in the presentation of staffing and administrative costs for the country office, together with the programme proposal and programme budget in the country programme recommendation, the following adjustments in the budget formats are proposed.

20. For table 1, entitled, "Basic statistics on children and women", no changes are recommended.

A. Proposed table 2

21. The existing table 2, entitled "Expenditure under previous cooperation period", provides data on actual expenditures during the past programme of cooperation for the main programme sectors/areas by budget categories such as supplies, training, staff and other cash assistance and by funding source, i.e., general resources and funded supplementary funds. While maintaining this data in the first half of the proposed table 2, the second half of the table (the shaded portion) provides data on the amounts originally planned and approved for each sector/area, compared with actual expenditures by funding source. It should be noted that the titles of programme sectors/areas are not standard titles applicable to all country programmes; therefore, each country office will be expected to provide appropriate project titles based on the plans for the past programme of cooperation.

PROPOSED TABLE 2

TABLE 2. EXPENDITURE UNDER PREVIOUS COOPERATION PERIOD, 1989–1990

COUNTRY: NIGERIA

LATEST BOARD APPROVAL: 1989

GENERAL RESOURCES: $29,000,000

(In thousands of United States dollars)

Programme sectors/areas	Supplies and equipment (actual)		Training grants (actual)		Project staff (actual)		Other cash (actual)		TOTAL					
									General resources		Funded SF		Total (GR & FSF)	
	GR	FSF	GR	FSF	GR	FSF	GR	FSF	Actual	Planned	Actual	Planned	Actual	Planned
Health	13,196	9,570	225	126	1,548	148	2,005	223	16,974	20,193	10,067	10,942	27,041	31,432
Water supply and sanitation	2,910	258	75		874	2	184	135	4,043	4,568	395	3,134	4,438	7,702
Nutrition	507	63		2		14	32	9	539	790	88	1,432	627	2,222
Education		2					12	7	12		9		21	
Community organization and development	315	647	54	27		63	65	184	434	1,625	921	787	1,355	2,412
Young child development		103		5		28	10	40	10	375	266	606	276	981
Women–centred programme								5			5		5	
Advocacy	384	128	7	40	151		119	390	661		558		1,219	
Planning and project support	3,231	43	107	17	646		392	495	4,376	1,449	555		4,931	1,449
Freight	454								454				454	
GRAND TOTAL	20,997	10,904	468	217	3,219	255	2,819	1,488	27,503	29,000	12,864	16,901	40,367	46,198

GR = General resources.

FSF = Funded supplementary funding.

B. Existing table 3

22. Table 3, entitled "Planned expenditure, 1991-1995", provides information on the proposed programme for the main programme sectors/areas for each of the five years by funding sources, i.e., general resources and supplementary funds. No changes in table 3 are recommended.

EXISTING TABLE 3

TABLE 3. PLANNED EXPENDITURE, 1991–1995

(In thousands of United States dollars)

COUNTRY: NIGERIA Period covered: 1991–1995	Funding status	1991	1992	1993	1994	1995	TOTAL
Health	GR	4,965	4,998	5,010	4,950	4,890	24,813
	NSF	4,899	4,995	5,000	5,000	5,085	24,979
Water supply and sanitation	GR	2,680	2,545	2,755	2,870	2,800	13,650
	NSF	3,076	2,310	2,306	2,129	2,399	12,220
Household food security and nutrition	GR	1,556	1,553	1,448	1,530	1,540	7,627
	NSF	1,810	2,000	2,032	2,175	1,904	9,921
Education	GR	2,208	2,200	2,275	2,120	2,140	10,943
	NSF	1,695	2,138	2,093	2,180	2,192	10,298
Children in especially difficult circumstances	GR	135	125	86	74	51	471
	NSF	190	202	160	146	95	793
Social mobilization and advocacy	GR	646	709	617	636	646	3,254
	NSF	175	185	225	225	190	1,000
Planning and social statistics	GR	810	870	809	820	933	4,242
	NSF	155	170	184	145	135	789
TOTAL	GR	13,000	13,000	13,000	13,000	13,000	65,000
	NSF	12,000	12,000	12,000	12,000	12,000	60,000
GRAND TOTAL		25,000	25,000	25,000	25,000	25,000	125,000

GR = General resources.

NSF = New supplementary funding.

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C. Proposed table 4

23. In order to show more clearly the implications of the proposed programme on staffing and staff costs, a revised budget format is proposed for table 4, newly entitled "Linkage of programme budget and staffing/staff costs", as follows:

(a) Programme sectors/areas and funding sources. This column is intended to provide a list of major programme sectors such as health, nutrition and education, and programme areas such as advocacy and social mobilization and planning, monitoring and evaluation. As noted in the description of the proposed table 2, the titles of programme sectors/areas are not standard titles applicable to all country programmes; therefore, each country office will be expected to provide appropriate sector/area titles based on the proposed programme plans. This column will be divided into two funding sources: general resources and supplementary funds. Programme sectors/areas will be listed for each funding source as appropriate;

(b) Programme budget, 1991-1995. This column indicates the amounts in thousands of United States dollars for general resources, funded supplementary funds (carried over from previous programme), if any, and new supplementary funds for the proposed programme cycle (1991-1995 in the case of Nigeria);

(c) Posts. This column gives the number of posts charged to the programme budget in the International Professional category by levels from D2/L7 to P/L2 for each programme sector/area and for each funding source, i.e., general resources and supplementary funds;

(d) Staff costs. This column provides amounts in thousands of United States dollars for the International Professional staff category and combines national Professional and General Service categories under the heading "local" staff costs. These amounts are provided for each programme sector/area and for each funding source for the total period of the proposed programme (five years, 1991-1995, in the case of Nigeria);

(e) Administrative and programme support budget. This column provides data for the approved or proposed biennium on operating costs for the country office for the proposed biennium, 1992-1993 in the case of Nigeria; the number of International Professional posts from D2/L7 to P/L2 levels and the number of national Professional and General Service posts; and the amounts of staff costs in thousands of United States dollars for International Professional and local (national Professional and General Service) staff categories for the biennium. In an even year, the figures represent the current approved biennium budget. In an odd-numbered year, the figures represent the proposed biennium budget. Since this budget is approved by the Executive Board on a biennium basis, this column cannot cover the total period of the proposed programme cycle, i.e., five years in the case of Nigeria;

(f) Grand total. This shaded column gives numbers of posts and staff costs funded by the administrative and programme support budget, and the programme budget from general resources and supplementary funds;

(g) Number of posts and staff costs. This portion at the bottom of the table provides comparative data on the numbers of International Professional, national Professional and General Service posts and staff costs for three time periods, i.e., at the beginning of the previous programme (1989-1990 in the case of Nigeria), at the beginning of the proposed programme (1991-1995 in the case of Nigeria) and indicative figures for the end of the proposed programme (1995 in the case of Nigeria). New posts requested by the country office from new supplementary funds can only be approved as and when new supplementary funds become available and as project posts are approved. As such, the total number of posts projected at the end of the proposed programme can only be seen as indicative, and staff costs for five years can be less meaningful or realistic, even as indicative figures.

PROPOSED TABLE 4

TABLE 4. LINKAGE OF PROGRAMME BUDGET AND STAFFING/STAFF COSTS

NIGERIA

PROGRAMME SECTORS/AREAS AND FUNDING SOURCES	PROGRAMME BUDGET, 1991–1995 (In thousands of US dollars)				POSTS a/ EXISTING POSTS						SUBTOTAL			TOTAL POSTS	STAFF COSTS a/ (In thousands of US dollars)		
	GR	FSF	NSF	TOTAL	D2/L7	D1/L6	P/L5	P/L4	P/L3	P/L2	IP	NP	GS		IP	LOCAL	TOTAL
GENERAL RESOURCES																	
Health	24,813			24,813			1	1			2	4	7	13	1,200	1,485	2,685
Household food security and nutrition	7,627			7,627				1	4		5		6	11	3,000	810	3,810
Water supply and sanitation	13,650			13,650			1	2			3	4	8	15	1,800	1,620	3,420
Basic education	10,943			10,943				1			1	5	6	12	600	1,485	2,085
Children in especially difficult circumstances	471			471							*	*		0	0	0	0
Social mobilization and advocacy	3,254			3,254				1			1	8	9	18	600	2,295	2,895
Planning, monitoring and evaluation	4,242			4,242			1	5		4	10	5	12	27	6,000	2,295	8,295
TOTAL GR	65,000			65,000	0	0	3	11	4	4	22	26	48	96	13,200	9,990	23,190
SUPPLEMENTARY FUNDING																	
Health			24,979	24,979				1			1	2	4	7	600	810	1,410
Household food security and nutrition			9,921	9,921							0			0	0	0	0
Water supply and sanitation			12,220	12,220							0			0	0	0	0
Basic education			10,298	10,298							0			0	0	0	0
Children in especially difficult circumstances			793	793							0			0	0	0	0
Social mobilization and advocacy			1,000	1,000							0			0	0	0	0
Planning, monitoring and evaluation			789	789							0			0	0	0	0
TOTAL SP			60,000	60,000	0	0	0	1	0	0	1	2	4	7	600	810	1,410
TOTAL GR & SP				125,000	0	0	3	12	4	4	23	28	52	103	13,800	10,800	24,600
ADM. AND PROGRAMME SUPPORT BUDGET (Proposed 1992–1993)	Operating costs		1,803														
	Staffing b/			1		2	1				4	5	35	44	952	1,265	2,217
GRAND TOTAL (GR+SP+ADM)				[illegible]													

Number of posts and staff costs:							
– At the beginning of previous programme (1989)	20	23	79	122	2,056	2,129	4,185
– At the beginning of proposed programme (1991)	27	33	87	147	3,236	2,793	6,029
– At the end of proposed programme (1995) (indicative only)	33	60	94	187	NA	NA	NA

Abbreviations: GR = general resources, FSF = funded supplementary funding, NSF = New supplementary funding, IP = International Professional, NP = National Professional, GS = General Service, ADM = administrative.

* Managed by education officer

a/ Each post, regardless of its funding source, supports the country programme as a whole.

b/ In an even year, the figures represent the current approved biennium budget. In an odd year, the figures represent the proposed biennium budget.

c/ Staff costs: Project posts are funded for five years; Core posts are funded for two years.

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24. In reviewing the number of posts and staff costs as a proportion of programme expenditure, it should be noted that project posts form an integral part of programme delivery and that the staff costs are as important for effective service delivery as supplies, training or cash assistance. In addition, in programme sectors with a heavier emphasis on supplies, such as the water supply and sanitation or health sectors, the proportion of staff costs to the sector budget is likely to be relatively small. In programme areas such as advocacy and social mobilization, or planning, monitoring and evaluation, the proportions of staff costs to the total amounts of funds allocated to those programme areas are likely to be relatively high.

25. All sector posts support the overall objectives of the programme sector as a whole and contribute to the overall objectives of the country programme. Sector posts are not limited strictly to the activities covered through the specific funding source to which the staff costs of the posts are charged. While a post may, for example, appear under the health sector, the post may simultaneously be responsible for another sector or programme area such as planning or urban basic services.